

Well, we finally made the change.

As we discussed earlier, one of the recent changes in the Savings Program was to switch to something called “share value” accounting. For most of you this doesn’t have much meaning, but for those of you who have complained that the value in the Savings Program didn’t match the value in the newspaper, you are in for a pleasant surprise.

Effective on April 27, 2000, many of our funds switched from “unit values” to “share values.” Those funds switching include all our publicly traded mutual funds.

**Vanguard Funds
Windsor
American Funds
American Balanced Fund
Growth Fund of America
The Investment Company of America
New Perspectives Fund
EuroPacific Growth Fund
Managers Funds
Special Equity Fund
PIMCO Funds
Long Term Bond Fund**

The conversion chart is included in our announcement on this page. All the other investment funds continue to use the unit value method of accounting.

The accounting change did the following:

**Changed the unit value to a share value.
Converted the number of units held to shares held.
Made no change in total market value.**

**(The formula still applies. Shares owned X’s share value = Market Value.
Or Market value divided by share value = shares owned.)**

What this means now is that each participant owns a number of shares valued at the current share value. The share value (also known as net asset value) is the same value that is listed in the financial section of the newspapers and on the WEB.

There is one drawback to the new accounting. In the old unit value environment, we could simply compute the change in unit value from period to period and get the fund performance. We did this right after the end of the month we received the last day’s unit values. We can’t do this with share values. In share value accounting, participant income received in the form of dividends paid by the mutual fund adds shares to the participant’s account. In the same manner, administrative expenses paid by the participant require that shares be redeemed to pay for them. These events were previously recorded as part of the unit value change. The participants are earning the same amounts and paying the same

amounts as before, but the accounting has changed from a investment fund level, to a participant account level. These changes make computing rates of return much more difficult for the participant.

Performance expressed as a percentage requires that the beginning fund balance, all cash flows during the month, including income received and expenses paid and the change in the share value from the first of the month to the end of the month be put into a formula to compute a rate of return. As an alternative, the mutual funds themselves publish a total rate of return that incorporates everything except the administrative fees paid by the participant. The mutual funds typically report daily, year to date and one, three and five year performance results.

After considering all the possibilities we have decided to report the performance of our funds in this manner:

Benefits management will no longer compute the rates of return using the unit/share values. We will continue to publish the unit/share values for each fund for every business day, but we will remove the historical unit value performance charts.

We will rely on the statistics provided by our record keeper and the mutual funds.

At the end of each month, State Street Bank will provide the performance numbers as soon after the end of the month as possible. These monthly, three month, year to date, one year, three year and since inception numbers will reflect the actual earnings and expenses of the individual funds.

We will provide direct links to the home pages of the mutual funds in our Savings Program. Their published performance numbers will have to be adjusted by the administrative fees paid by our participants. The current administrative charge is .06% (.0006 in decimal) of the fund balance. This is a decrease from the previous .08% charged.

If you have any questions regarding the performance numbers, please call or write.

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